

## Message Text

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44

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 NEA-10 CIAE-00 DODE-00 PM-07

H-03 INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01

SPC-03 SS-20 USIA-15 ACDA-19 IO-15 COME-00 INT-08

SCEM-02 OMB-01 TRSE-00 AF-10 SSO-00 DRC-01 /179 W

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P 121616Z OCT 73

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC PRIORITY 138

C O N F I D E N T I A L VIENNA 8450

EO 11652: GDS

TAGS: ENRG, AU

SUBJECT: OPEC TALKS WITH OIL COMPANIES ON REVISION OF  
TEHRAN AGREEMENT

1. BEGIN UNCLASSIFIED. FOLLOWING IS TRANSLATION OF OCT  
12 AUSTRIAN PRESS AGENCY STORY ON TALKS:

QTE. WESTERN OIL FIRMS, WHO HAVE NEGOTIATED WITH REPRESENT-  
ATIVES OF GULF STATES ON REVISION OF 1971 TEHRAN AGREEMENT,  
ASKED THEIR NEGOTIATING PARTNERS FOR TWO-WEEK PAUSE IN THE  
TALKS IN ORDER TO STUDY IN DETAIL THE PRICED REQUESTS OF  
THE ARAB OIL PRODUCING COUNTRIES. A COMMUNIQUE PUBLISHED  
TODAY ANNOUNCES THAT THE WESTERN OIL COMPANIES PROPOSED  
A REVISION OF THE TEHRAN AGREEMENT WHICH TAKES INTO CON-  
SIDERATION PRESENT HIGH INFLATION RATES AND THEIR EFFECTS  
ON THE PURCHASING POWER OF THE OIL PRODUCING COUNTRIES AS WELL  
AS AN INCREASE IN THE CRUDE OIL PRICE. THE VIENNA TALKS,  
HOWEVER, SHOWED THAT OPEC DEMANDS EXCEED BY FAR THE PRICE  
CONCEPTIONS OF THE WESTERN OIL FIRMS. THE OIL FIRMS BELIEVE  
THAT THE PRICE INCREASES UNDER DISCUSSION MAY HAVE SERIOUS  
AND FAR-REACHING CONSEQUENCES NOT ONLY FOR THE COMPANIES  
THEMSELVES BUT ALSO FOR THE ENTIRE WORLD ECONOMY. THEREFORE,  
THE COMPANIES REQUESTED A POSTPONEMENT OF THE NEGOTIATIONS  
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TO RE-EXAMINE THE ENTIRE PROBLEM AND TO CONSULT WITH THEIR

HOME OFFICES. THEY CLEARLY INDICATED THEIR READINESS TO RESUME THE TALKS AFTER THIS INTERRUPTION AS SOON AS POSSIBLE. UNQTE.

2. WE ASSUME ABOVE STORY BASED ON COMMUNIQUE OF THE OIL COMPANIES. END UNCLASSIFIED.

3. COMMENT: BEGIN COFIDENTIAL. U.S. INDUSTRY SOURCES (PROTECT) TOLD EMBASSY THAT TWO-WEEK RECESS OF OPEC TALKS WAS PROPOSED BY INDUSTRY REPS BUT THAT PRODUCING COUNTRIES WANTED ONLY ONE-WEEK RECESS AND WERE GENERALLY ANXIOUS TO SETTLE PRICE ISSUE ON THEIR TERMS. HOWEVER, INDUSTRY, ESPECIALLY U.S. REPS, DID NOT FEEL THAT IT COULD RESPOND THAT QUICKLY. SOURCES SAID THERE WAS NO RPT NO AGREEMENT ON LENGTH OF RECESS OR ON ANY SPECIFIC DATE FOR RESUMPTION TALKS. AN EMBASSY PHONE CHECK WITH OPEC AT 1530 LOCAL REVEALED THAT NO OPEC NEWS RELEASE WAS ISSUED TODAY AND THAT NO DATE HAS BEEN SET FOR RESUMPTION OF TALKS. END CONFIDENTIAL.

4. BEGIN UNCLASSIFIED. DEPARTMENT REPEAT AS APPROPRIATE. END UNCLASSIFIED. MOWINCKEL

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## Message Attributes

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